

*Report of the*  
**Walker Mining  
Company**



*For the Year Ending December 31, 1927*

# Walker Mining Company

PLUMAS COUNTY, CALIFORNIA

P. O. AND SHIPPING POINT  
SPRING GARDEN, CALIFORNIA

OPERATING OFFICE  
KEARNS BUILDING, SALT LAKE CITY, UTAH



*(Incorporated under the Laws of the State of Arizona)*



## CAPITAL STOCK

COMMON—Authorized	-	-	-	1,750,000 shares at \$1.00 per share
Issued	-	-	-	1,749,308 shares at \$1.00 per share



## *Directors*

J. R. WALKER	GEO. BAGLIN	J. O. ELTON	J. B. WHITEHILL
B. R. HOWELL	WM. STORY, JR.	ROBERT E. DWYER	

## *Officers*

J. R. WALKER, *President*  
ROBERT E. DWYER, *Vice-President*  
J. O. ELTON, *Vice-President*  
J. B. WHITEHILL, *Secretary-Treasurer*

# President's Report

Salt Lake City, Utah, March 31, 1928.

## TO THE STOCKHOLDERS OF THE WALKER MINING COMPANY:

The following report covering the transactions and operations of your company for the year ending December 31, 1927, is submitted.

Referring to the income account, there is shown for mining and milling costs the amount of \$1,072,922.09. Included in this amount is an item of \$66,760.35, being ore development of previous years written off during the calendar year 1927. The income account shows an operating loss of \$33,258.22; which, if above item for development is excluded, would reflect an operating profit for the 1927 operation of \$33,502.14.

Through the marketing of broken ore on hand of January 1, 1927, the company reduced its indebtedness to the International Smelting Company during the year in the amount of \$10,000.00, besides paying \$50,363.20 interest on its notes, which now amount to \$835,633.24. For the account of the mining and development operations, please refer to the Manager's report. 347,566 tons of ore were milled to produce 19,293.8842 tons of concentrates, containing:

Copper, pounds .....	9,363,351
Silver, ounces .....	190,474.03
Gold, ounces .....	12,410.828

The development program started in 1926 was continued with encouraging results, 7158.3 feet of drifts, raises, crosscuts and winzes being done, exclusive of work done in mining which amounted to 6774.5 feet, making a total of 13,932.8 feet. This development work has indicated several years of ore, which besides having proven that the central and south ore bodies continue to show strength with depth, has also proven the extension north on the 700 level of the main ore zone into ground 1500 feet north of the most northerly workings existing at the end of 1927, where the showing is encouraging. Only future development in this area can prove the real value of the ore shoot discovery. Plans for 1928 call for a continuation of the underground development program, which is to be supplemented by Diamond Drilling campaign to search for parallel ore bodies.

The management has succeeded in making a very favorable Diamond Drilling contract, which insures that this work will be done at a minimum expense.

Only a relatively small amount of money, \$16,327.29 was expended for construction and equipment. All the underground and surface equipment is of the best and was maintained in a high state of efficiency, as is proven by the operating costs.

These costs, calculated on the basis of crude ore for breaking, producing, milling, and delivery of the resulting concentrates to the railway, were \$2.7523 per ton (1925 cost was \$3.5633, 1926 was \$3.8212). This is remarkable when it is understood that included in this is the cost of development. This reduction in operating costs is of the utmost importance because it has made it possible to include in the ore reserves low grade material that could not previously be worked at a profit.

J. R. WALKER, *President.*

# Manager's Report

Spring Garden, California, March 31, 1928.

MR. J. R. WALKER, President,  
Walker Mining Company,  
Salt Lake City, Utah.

Dear Sir: I beg to submit annual report of the Walker Mining Company, covering the period of twelve months beginning January 1, 1927, and ending December 31, 1927.

## MINING DEPARTMENT

The tonnage of ore mined during the year was as follows:

Ore broken .....	385,819 tons
Ore produced and trammed .....	347,566 tons

### CENTRAL ORE BODY

A three-compartment winze was sunk 262 feet to a total depth of 414.5 feet on the incline below the sublevel which is about 30 feet above the main haulage level. A station was cut on the eighth level and 510.5 feet of drifts and crosscuts were driven on this level. A station was cut on the ninth level and 253.5 feet of drifts and crosscuts were driven on this level.

The total footage of drifts, crosscuts, raises, and winzes in this ore body amounted to 2,696.0 feet. 34,273 tons of ore assaying 2.37% copper or approximately 9.9% of the total tonnage produced came from this ore body.

### NORTH ORE BODY

On the fourth level 963.3 feet of drifts, crosscuts, and raises were driven, materially increasing the ore reserves in this area. On the seventh level 284.5 feet of main haulage level were driven for the purpose of stoping. A total of 5,446.3 feet of drifts, crosscuts, and raises were driven in this ore body, mostly for stope purposes. The greater part of the stoping for the year was done in this ore body. 259,944 tons of ore averaging 1.37% copper, or approximately 74.8% of the total tonnage produced, came from this area.

### SOUTH ORE BODY

A three-compartment winze was sunk 302.0 feet to a total depth of 495.0 feet on the incline below the seventh level, and a station was cut on the ninth level. A station was also cut on the seventh level for a double drum hoist which is on hand, and a suitable electric substation was cut adjacent to the hoist station.

316.5 feet of main haulage drifts were driven in this ore body. 809.5 feet of drifts, crosscuts, and raises were driven on the 8th level for stope purposes and for blocking new ore.

A total of 2,852.5 feet of drifts, crosscuts, raises, and winzes were driven in this ore body. 36,761 tons of ore averaging 1.73% copper, or approximately 10.6% of total tonnage produced, came from this ore body.

### MAIN HAULAGE

The main haulage level was driven north 1,478.0 feet for the development of the Piute Ore Body, and 222.5 feet of large crosscuts were also driven. Of this drift footage 235.0 feet were driven in the 712 ore body and 140 feet of large crosscuts were also driven in this ore body. Besides this 1,208.5 feet of small drifts, crosscuts, and raises, including 91.0 feet of main two-compartment development raise were driven in developing 705 stope, and 770 stope in the 712 ore body, and 29 feet of raises in the Piute Ore Body.

14,413 tons of ore averaging .95% copper or approximately 4.1% of total tonnage produced was produced from this ore body.

### DEVELOPMENT

The advances in underground openings for purposes of exploration and development were as follows:

Large size drifts .....	1,957.0 feet
Large size crosscuts .....	361.5 feet
Large size chute raises .....	89.5 feet
Small size drifts .....	2,059.3 feet
Small size crosscuts .....	1,494.5 feet
Small size stope drifts .....	174.0 feet
Small size stope crosscuts .....	33.0 feet
Small size chute raises .....	67.0 feet
Small size finger raises .....	77.5 feet
Small size manway raises .....	45.0 feet
Three-compartment winzes .....	564.0 feet
Two-compartment raises .....	236.0 feet
Total .....	7,158.3 feet

## MINING

The advances for purposes of mining were as follows:

Large size drifts .....	284.5 feet
Small size drifts .....	150.5 feet
Small size crosscuts .....	246.5 feet
Small size stope drifts .....	1,918.5 feet
Small size crosscuts .....	49.0 feet
Two-compartment raises .....	436.5 feet
Large size chute raises .....	410.5 feet
Small size chute raises .....	187.5 feet
Small size stope raises .....	445.0 feet
Small size finger raises .....	989.0 feet
Small size manway raises .....	162.0 feet
Small drifts under 480 stope .....	832.0 feet
Small crosscuts under 480 stope .....	394.5 feet
Small raises under 480 stope .....	91.0 feet
Small winzes under 480 stope .....	8.0 feet
Small drifts under 680 stope .....	92.0 feet
Small crosscuts under 680 stope .....	77.5 feet
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Total .....	6,774.5 feet
Grand Total .....	13,932.8 feet

### *Breakage and Grade*

There were 385,819 wet tons broken with an average grade of 1.5878% Cu, according to ore bodies, as follows:

	<i>Wet Tons</i>	<i>% Copper</i>
Central Ore Body .....	21,157	2.24
North Ore Body .....	303,450	1.51
South Ore Body .....	39,833	2.08
Main Haulage .....	21,379	1.13

## CONCENTRATION DEPARTMENT

The mill has operated satisfactorily during the year and 942.26 tons of ore per day were milled for 361 days.

The mill statistics for the year were as follows:

Ore delivered to mill, dry tons .....	340,156.0000
Average grade of ore milled, per cent copper .....	1.4903
Average tails, per cent copper .....	.1154
Average recovery, percentage .....	92.6960
Average grade of concentrates, per cent copper .....	24.3880
Average grade of ore milled, ounces silver .....	0.6300
Average grade of ore milled, ounces gold .....	0.0550
Tonnage of concentrates produced .....	19,268.4138

During the year there was recovered and delivered to the smelter in form of concentrates:

Copper, pounds .....	9,363,351.000
Silver, ounces .....	190,474.030
Gold, ounces .....	12,410.828

NOTE.—Of the above 2719 pounds copper and .418 ounces gold were recovered from precipitating from mine water on iron scrap, and 368 pounds copper, 499.38 ounces silver and 663.372 ounces gold from lime scale recovered from flotation cells.

After deductions on smelting contract had been made, copper paid for by the smelter amounted to 8,701,138 pounds. Cost of producing this copper, after crediting gold and silver contents and including refining charges, was 13.2791 cents per pound. This cost includes development in the amount of \$66,760.35 written off during 1927, but does not include depletion, depreciation, or interest.

#### TRAMWAY

Concentrates handled during the year, dry tons .....	19,293.8842
Precipitates trammed, dry tons .....	15.2090
Back freight delivered to the mine, tons .....	2,294.9295

#### COSTS

The costs for the year were as follows:

Breaking ore including development .....	\$1.6353*
Producing ore .....	.4818
Mill operating .....	.7339
Tramway (per ton concentrates \$1.3117) .....	.0743

Total operating cost per ton crude ore and concentrates delivered to Spring Garden .....

\$2.9253

\*In this cost is included development cost of \$0.1730 per ton that was written off during the calendar year of 1927.

A material reduction in freight rate on concentrates was also obtained, effective January 1, 1928.

#### CONSTRUCTION AND EQUIPMENT

Mine Equipment .....	\$11,634.41
Mill Camp Buildings .....	2,400.34
Livestock and Stable Equipment .....	1,900.00
Mill and Shop Equipment .....	392.54
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	\$16,327.29

Very truly yours,

WALKER MINING COMPANY,

By H. A. GEISENDORFER, Manager.



# Walker Mining Company

BALANCE SHEET — 31st DECEMBER, 1927

## ASSETS

### FIXED:

Mine, Mining Claims and Development .....	\$1,511,383.54	
Plant and Equipment .....	1,084,355.63	\$2,595,739.17

### CURRENT:

Supplies on Hand and Expenses Prepaid .....	135,935.95	
Ore and Concentrates on Hand—at Cost .....	263,369.85	
Accounts Receivable .....	601.73	
Cash .....	60,040.59	459,948.12
		<u>\$3,055,687.29</u>

## LIABILITIES

### CAPITAL STOCK:

Authorized — 1,750,000 shares of \$1.00 each		
Outstanding—1,749,308 shares .....		\$1,749,308.00

RESERVE FOR DEPRECIATION .....	608,455.11	
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NOTES PAYABLE .....	835,633.24	
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### CURRENT:

Interest and Taxes Accrued .....	\$ 1,042.50	
Accounts and Wages Payable .....	136,490.21	137,532.71

### SURPLUS ACCOUNT:

Deficit 31st December, 1926 .....	119,792.47	
Net Loss for the year ending 31st December, 1927 .....	155,449.30	275,241.77
		<u>\$3,055,687.29</u>

We hereby certify that this Balance Sheet shows the financial condition of Walker Mining Company at 31st December, 1927, and that the accompanying Income Account for the year ending that date is correct as stated.

POGSON, PELOUBET & Co.,  
Certified Public Accountants.

New York, 25th February, 1928.

NOTE.—In order to comply with the Government Income Tax requirements for the purpose of computing depletion additional entries respecting the valuation of the mining property have been recorded upon the books of the Company; but being made for tax purposes only the result of such entries is omitted from the current statements.

# Walker Mining Company

## INCOME ACCOUNT

YEAR ENDING 31st DECEMBER, 1927.

Sales of Ore and Concentrates .....		\$1,196,683.67
Mining and Milling .....	\$1,072,922.09	
Transportation .....	124,242.10	
Inventory at beginning of year .....	296,147.54	
	<u>\$1,493,311.73</u>	
Less, Inventory at end of year .....	263,369.85	1,229,941.88
Operating Loss .....		\$ 33,258.21
Depreciation .....		71,827.89
Interest .....		50,363.20
Net Loss for the year ending 31st December, 1927..		<u>\$ 155,449.30</u>